

To: Selectmen
 From: Stu
 Re: Excise Tax Analysis
 Date: March 9, 2009

As requested, here is some analysis of excise tax collections for the current year. The bottom line is, collections are down, and I highly doubt they will not meet the \$305,000 budgeted for this fiscal year. In fact, we could possibly be looking at coming in roughly \$35,000 short, down roughly 20%.

Here are some supporting calculations, and a chart.

The Actual Figures from the current and past years:

Month	FY 08/09 Monthly	FY 08/09 Cumulative	FY07/08 Monthly	FY 07/08 Cumulative	FY06/07 Monthly	FY06/07 Cumulative	FY 05/06 Monthly	FY 05/06 Cumulative
July	\$25,705.36	\$25,705.36	\$26,272.27	\$26,272.27	\$25,137.00	\$25,137.00	\$26,454.62	\$26,454.62
August	\$31,323.56	\$57,028.92	\$33,622.73	\$59,895.00	\$28,352.18	\$53,489.18	\$28,052.33	\$54,506.95
September	\$24,784.04	\$81,812.96	\$22,162.16	\$82,057.16	\$25,854.21	\$79,343.39	\$27,015.42	\$81,522.37
October	\$23,172.23	\$104,985.19	\$22,375.18	\$104,432.34	\$25,403.49	\$104,746.88	\$26,365.31	\$107,887.68
November	\$18,974.37	\$123,959.56	\$23,719.17	\$128,151.51	\$19,498.18	\$124,245.06	\$22,699.14	\$130,586.82
December	\$15,531.06	\$139,490.62	\$19,059.21	\$147,210.72	\$22,400.43	\$146,645.49	\$17,556.97	\$148,143.79
January	\$15,075.58	\$154,566.20	\$17,664.35	\$164,875.07	\$18,132.57	\$164,778.06	\$19,106.07	\$167,249.86
February	\$15,495.83	\$170,062.03	\$20,240.65	\$185,115.72	\$15,585.34	\$180,363.40	\$20,108.71	\$187,358.57
March			\$22,295.57	\$207,411.29	\$24,909.36	\$205,272.76	\$25,120.09	\$212,478.66
April			\$28,092.42	\$235,503.71	\$27,707.49	\$232,980.25	\$24,823.35	\$237,302.01
May			\$31,205.29	\$266,709.00	\$33,814.92	\$266,795.17	\$27,619.76	\$264,921.77
June	:		\$33,117.00	\$299,826.00	\$30,741.62	\$297,536.79	\$28,850.79	\$293,772.56
Total	\$170,062.03		\$299,826.00		\$297,536.79		\$293,772.56	

Cumulative Comparisons By Month

Cumulative Comparison

Month	FY 08/09	FY 07/08	FY06/07	FY 05/06
July	\$25,705.36	\$26,272.27	\$25,137.00	\$26,454.62
August	\$57,028.92	\$59,895.00	\$53,489.18	\$54,506.95
September	\$81,812.96	\$82,057.16	\$79,343.39	\$81,522.37
October	\$104,985.19	\$104,432.34	\$104,746.88	\$107,887.68
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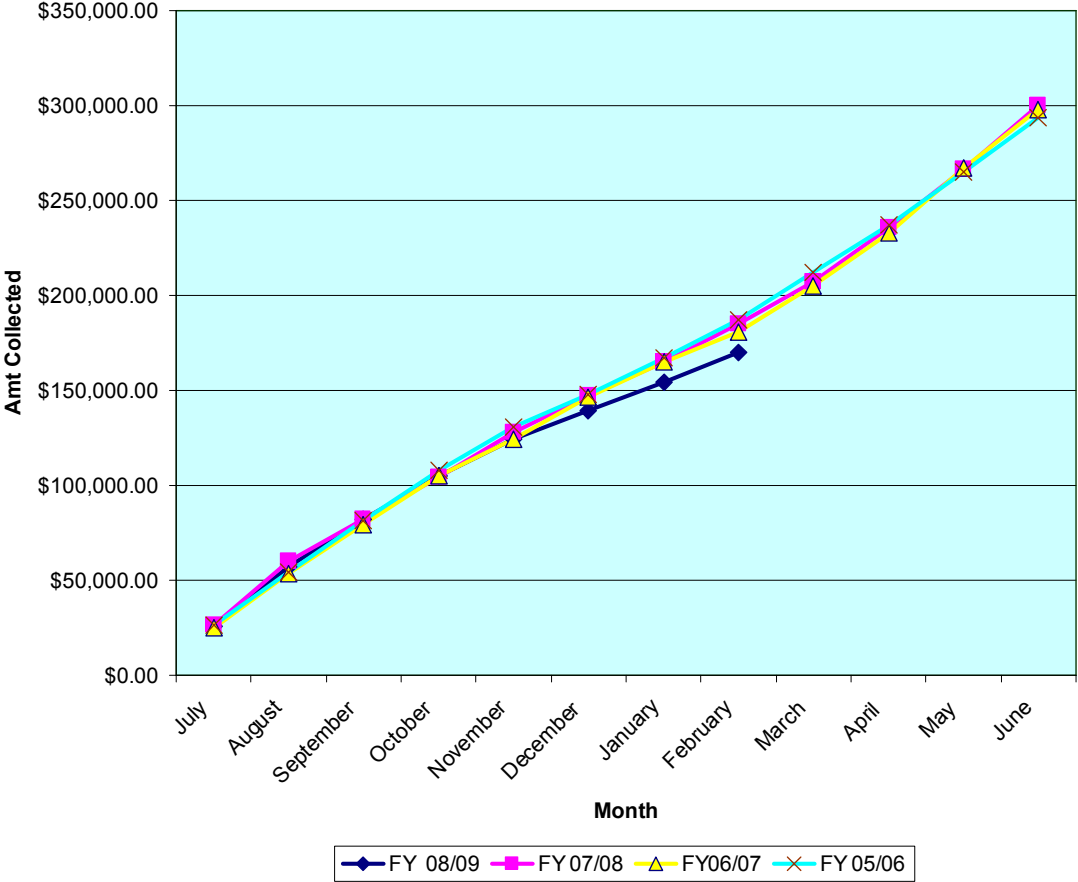
This table takes the monthly total from the last three complete fiscal years and figures the amount collected each month and divides it by the total collected for the year. The 3-year average gives the average percentage expected for a particular month. The Applied to FY08/09 column applies the 3-year average to the \$305,000 budget. The actual for FY 08/09 is then subtracted to the applied to show what variance there might be. The final column is a percentage of the budget collected for that month. The average variance percentage (88.5%) is an average of the last column. The expected shortfall is derived by multiplying that average variance by the total budget.

Percent Collected by month					Applied to	Actual	Variance	% of Budget
Month	FY 07/08	FY06/07	FY 05/06	3 Yr Avg	FY08/09	FY 08/09	from Budget	FY 08/09
July	8.76%	8.45%	9.01%	8.74%	\$26,652.94	\$25,705.36	-\$947.58	96.44%
August	11.21%	9.53%	9.55%	10.10%	\$30,796.91	\$31,323.56	\$526.65	101.71%
September	7.39%	8.69%	9.20%	8.43%	\$25,698.41	\$24,784.04	-\$914.37	96.44%
October	7.46%	8.54%	8.97%	8.33%	\$25,391.65	\$23,172.23	-\$2,219.42	91.26%
November	7.91%	6.55%	7.73%	7.40%	\$22,560.80	\$18,974.37	-\$3,586.43	84.10%
December	6.36%	7.53%	5.98%	6.62%	\$20,192.79	\$15,531.06	-\$4,661.73	76.91%
January	5.89%	6.09%	6.50%	6.16%	\$18,797.61	\$15,075.58	-\$3,722.03	80.20%
February	6.75%	5.24%	6.84%	6.28%	\$19,147.81	\$15,495.83	-\$3,651.98	80.93%
March	7.44%	8.37%	8.55%	8.12%	\$24,764.87			
April	9.37%	9.31%	8.45%	9.04%	\$27,583.91			
May	10.41%	11.36%	9.40%	10.39%	\$31,694.08			
June	11.05%	10.33%	9.82%	10.40%	\$31,718.21			
	100.00%	100.00%	100.00%	100.00%	\$305,000.00	\$170,062.03	-\$19,176.90	

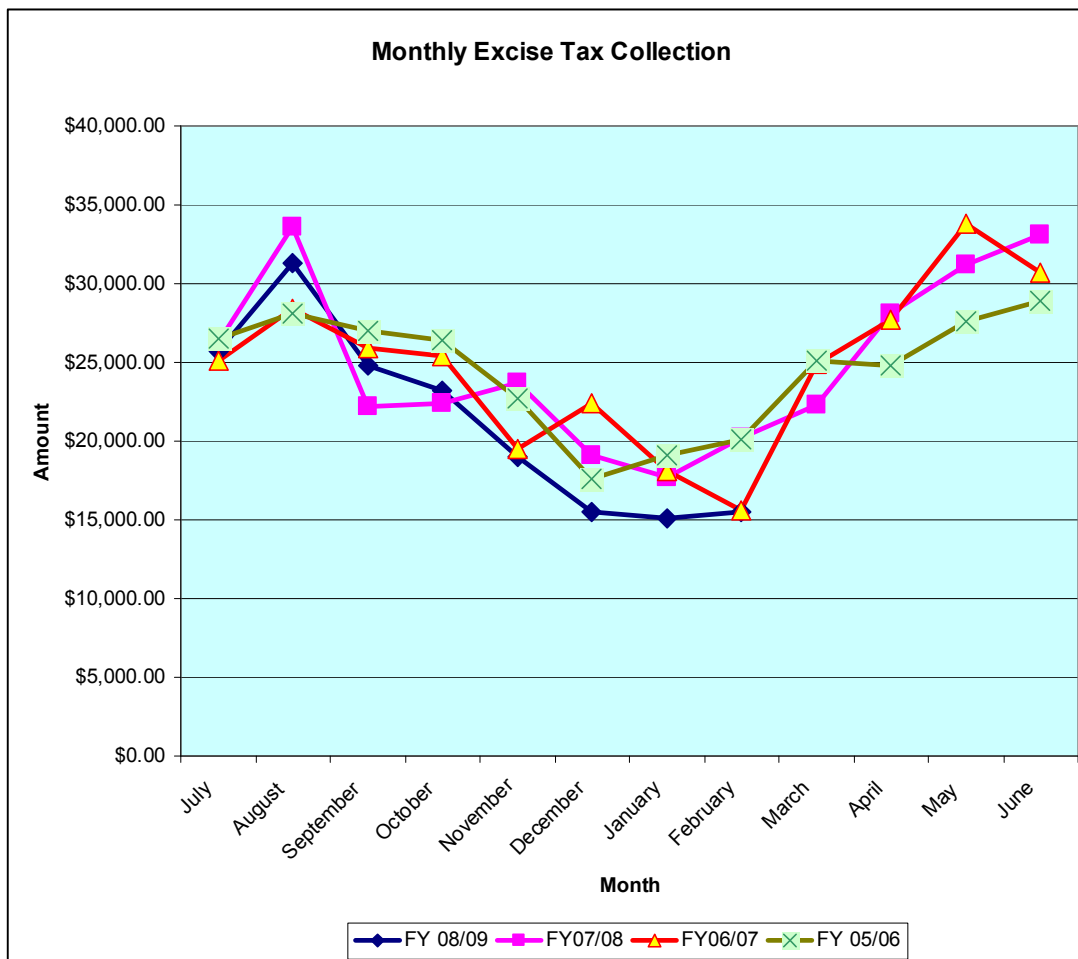
Avg Variance
Percentage **88.50%**

Average applied to Budget	\$269,925.00
Expected Shortfall	\$35,075.00

Comparative Cumulative Excise Tax Collections



This chart shows the cumulative excise tax collected for the current year and the past three completed fiscal years. The data is fairly consistent with its pattern of collection cumulatively through the year, but the current fiscal year is trending lower.



This chart shows the trend of the monthly collection, and you can see that December to March is generally the low spot of the year. The drop seemed to have started a little earlier in the fall than in past years.